Memos Bare ITT Try for Chile Coup

By Jack Anderson

Secret documents which escaped shredding by International Telephone and Telegraph show that the company, at the highest levels, maneuvered to stop the 1970 election of leftist Chilean President Salvador Allende.

The papers reveal that ITT dealt regularly with the Central Intelligence Agency and, at one point, considered triggering a military coup to head off Allende's election.

These documents portray ITT as a virtual corporate nation in itself with vast international holdings, access to Washington's highest officials, its own intelligence apparatus and even its own classification system.

The papers bear a variety of security labels, including "Confidential," "System Confidential," and "Personal and Confidential." The originals, presumably, were shredded along with the "many sacks" of documents that ITT has now admitted destroying to keep them out of our hands. Nevertheless, we have obtained copies.

They show that ITT officials were in close touch with William V. Broe, who was then director of the Latin American division of the CIA's Clandestine Services. They were plotting together to create economic chaos in Chile, hoping this would cause the Chilean army to pull a coup that would block Allende from coming to power.

ITT-CIA Ties

ITT Director John McCone, himself a former CIA head, played a role in the bizarre plot. He received a confidential report on Oct. 9, 1970, from William Merriam, vice president in charge of ITT's Washington office.

"Today I had lunch with our contact at the McLean agency (CIA), and I summarize for you the results of our conversation," wrote Merriam. "He is still very, very pessimistic about defeating Allende when the congressional vote takes place on Oct. 24.

"Approaches continue to be made to select members of the Armed Forces in an attempt to have them lead some sort of uprising — no success to date . . .

"Practically no progress has been made in trying to get American business to cooperate in some way so as to bring on economic chaos. GM and Ford, for example, say that they have too much inventory on hand in Chile to take any chances and that they keep hoping that everything will work out all right.

"Also, the Bank of America had agreed to close its doors in Santiago but each day keeps postponing the inevitable. According to my source, we must continue to keep the pressure on business."

The plot to bring about a military coup by applying economic pressure is spelled out in a confidential telex, dated Sept. 29, 1970, to ITT's President Harold S. Geneen from one of his vice presidents, E. J. Gerrity. Here is Gerrity's description of the plot:

"1. Banks should not renew credit or should delay in doing so.

"2. Companies should drag their feet in sending money, making deliveries, in shipping spare parts, etc.

"3. Savings and loan companies there are in trouble. If pressure were applied, they would have to shut their doors, thereby creating pressure.

"4. We should withdraw all technical help and should not promise any technical assistance in the future. Companies in a position to do so should close their doors.

"5. A list of companies was provided, and it was suggested that we approach them as indicated. I was told that of all the companies involved, ours alone had been responsive and understood the problem. The visitor (evidently the CIA's William Broe) added that money was not a problem. He indicated that certain steps were being taken but that he was looking for additional help aimed at inducing economic collapse."

Next day, Gerrity sent a memo to ITT's Washington office telling of advice from an anti-Allende source in Chile to "keep cool, don't rock the boat, we are making progress."

"This is in direct contrast to what Broe recommended," the memo says. "I will call you later to discuss HSG's (ITT President Harold S. Geneen) reaction to my telex in some detail. He agrees with me that Broe's suggestions are not workable. However, he suggests that we be very discreet in handling Broe."

We will publish further details about this bizarre CIA-ITT conspiracy in a future column.

Footnote: A CIA spokesman would make no comment, refused even to acknowledge Broe's identity. We had to verify this from other inside sources. At this writing, ITT hasn't responded to our questions.

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